DISCLAIMER

This electronic version of an SCC order is for informational purposes only and is not an official document of the Commission. An official copy may be obtained from the Clerk of the Commission, Document Control Center.

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, OCTOBER 31, 2001

APPLICATION OF

WASHINGTON GAS ENERGY SERVICES, INC.

CASE NO. PUE010475

For a permanent license to conduct business as an electric and natural gas competitive service provider

and

APPLICATION OF

WASHINGTON GAS ENERGY SERVICES, INC.

CASE NO. PUE000354

For a license to conduct business as a competitive service provider in electric and natural gas retail access pilot programs

ORDER GRANTING LICENSES

On August 29, 2001, Washington Gas Energy Services, Inc.

("WGES" or "the Company"), filed an application with the State

Corporation Commission ("Commission") to convert and expand its

pilot licenses, License Nos. PE-4 and PG-2, to a permanent

license. On September 11, 2001, WGES supplemented its request

to clarify that it proposed to provide competitive electric and

¹ These pilot licenses, issued in Case No. PUE000354, authorized WGES to provide competitive electric and natural gas services in the retail access pilot programs of Virginia Electric and Power Company ("Virginia Power"), American Electric Power-Virginia ("AEP-VA"), Washington Gas Light ("WGL") and Columbia Gas of Virginia ("CGV").

natural gas service to residential, commercial, and industrial retail customers and to expand its authority to serve throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice. The Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").

On September 24, 2001, the Commission issued its Order For Notice and Comment. That Order docketed the case, directed WGES to provide notice of its application to each utility listed on Attachment A to the Order and invited interested parties to file comments on or before October 19, 2001. No comments were filed on October 19, 2001.

On October 9, 2001, WGES filed proof of the service of the Commission's September 24, 2001 Order for Notice and Comment on the utilities listed in Attachment A to the September 24 Order.

On October 22, 2001, the Staff filed a Response to WGES' application ("Response"). In its Response, the Staff recommended that a license be granted to WGES to conduct business as a competitive service provider in electric and natural gas retail access programs serving residential, commercial, and industrial retail customers throughout the Commonwealth of Virginia as the Commonwealth opens up to retail

access and customer choice. The Staff also recommended that the docket granting the Company its pilot license, Case No.

PUE000354, be closed. Staff further proposed that WGES be directed to file the reports required by the Commission's

Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 et seq., ("Interim Rules") in the captioned docket, Case No. PUE010475. Staff alleged that this action would result in the efficient administration of the Commission's docket.

NOW UPON consideration of WGES' application to convert and expand its present licenses to a permanent license to conduct these activities, and the Staff's Response thereto, the Commission is of the opinion and finds that WGES' request should be granted; that Case No. PUE000354 should be closed; and that any reports that WGES must file in accordance with the Interim Rules should be filed in the captioned docket, Case No. PUE010475.

Accordingly, IT IS ORDERED THAT:

(1) WGES' pilot license, License No. PE-4, is hereby cancelled and replaced with License No. E-6 for the provision of competitive electric service to residential, commercial, and industrial retail customers throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

- (2) WGES' pilot license, License No. PG-2, is hereby cancelled and replaced with License No. G-8 for the provision of competitive natural gas service to residential, commercial, and industrial retail customers throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.
- (3) These licenses are not valid authority for the provision of any product or service not identified within the license itself.
- (4) Failure of Washington Gas Energy Services, Inc., to comply with the Interim Rules, the Retail Access Rules, the provisions of this Order, other State Corporation Commission orders and rules, or other applicable state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the license granted herein, the refusal to renew such license, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.
 - (5) Case No. PUE000354 is hereby dismissed.
- (6) This matter shall remain open to receive the reports required by the Interim Rules and the Retail Access Rules, as well as any subsequent amendments or modifications to the licenses granted herein.